

Massachusetts Electric

A **National Grid** Company



Amy G. Rabinowitz
Counsel

December 20, 2001

By Hand

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

**Re: Massachusetts Electric Company and Nantucket Electric Company, Docket
No. D.T.E. 01-102**

Dear Secretary Cottrell,

Enclosed please find Massachusetts Electric Company's revised response to the Department's first set of data requests in the above captioned proceeding.

Thank you for your time and attention to this matter.

Very truly yours,

Amy G. Rabinowitz
Attorney for
Massachusetts Electric Company and
Nantucket Electric Company

cc: Joseph Rogers

DTE 1-1, Revised

Request:

Please provide a month by month breakdown of fuel index costs, standard offer service sales, SOSFA revenues, under or over recovery of fuel index costs and the overall balance from the time the Company first received fuel index costs through the time the Company forecast that the overall standard offer fuel service balance will be zero.

Response:

The Company is only attaching to this revised response a revised Page 1 of 8. The remaining pages are the same as those that were submitted by the Company in its original December 18, 2001 response to the Department's data request.

Please refer to the attachment to this response for the breakdown of:

- estimated standard offer revenue related to the Company's SOSFA surcharge (Column (b));
- standard offer expense related to fuel index adjustment payments (Column (c));
- the monthly over and under recovery of fuel index costs (Column (d)); and
- the interest related to the fuel index monthly over and under recovery (Column (h)).

Since the Company does not bill out its SOSFA separately from its base standard offer rate nor its standard offer adjustment factor (all three are added together to arrive at one effective standard offer rate), the revenue attributable to the SOSFA surcharge is derived by taking the standard offer kWh deliveries in a billing month applied to the currently effective SOSFA.

The under recovery of fuel index costs shown on Line 15 is currently being recovered by the Company in its 2001 standard service adjustment factor. Therefore, for purposes of this analysis, the beginning balance in October 2000 is set at zero and a new accumulation of fuel index under and over recoveries is begun. The revised response shows that beginning in October 2000 through September 2001, the fuel index under recovery is approximately \$128 million. By December 2001, the Company estimates this balance will drop to approximately \$98 million. By March 2002 this under recovery is estimated to drop to approximately \$49 million; and finally by

DTE 1-1, Revised (continued)

Massachusetts Electric Company
Nantucket Electric Company
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Response to First Set of DTE Data Requests

the end of June 2002, the Company estimates the under recovered balance to drop to approximately \$83,000. Based upon this progression of under recovered balance, it appears that the Company's prior SOSFA surcharges and proposed SOSFA surcharge beginning in January 2002 should provide enough revenue to recover fuel index costs that the Company has incurred to date and estimates will be incurred through June 2002.

Prepared by or under the supervision of: Theresa M. Burns

	Over/(Under) Beginning	SOSFA Standard Service	Fuel Index Standard Service	Fuel Index Standard Service	Over/(Under) Ending	Balance Subject to Interest	Interest Rate	Interest	Cumulative Interest
Month	Balance	Revenue	Expense	Over/(Under)	Balance				
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Section 1: Actual									
1	Oct-1999	\$0	\$0	\$0	\$0	\$0	5.13%	\$0	\$0
2	Nov-1999	\$0	\$0	\$0	\$0	\$0	5.13%	\$0	\$0
3	Dec-1999	\$0	\$0	\$0	\$0	\$0	5.13%	\$0	\$0
4	Jan-2000	\$0	\$0	\$0	\$0	\$0	5.43%	\$0	\$0
5	Feb-2000	\$0	\$0	\$0	\$0	\$0	5.43%	\$0	\$0
6	Mar-2000	\$0	\$0	\$0	\$0	\$0	5.43%	\$0	\$0
7	Apr-2000	\$0	\$0	\$1,080,609	(\$1,080,609)	(\$1,080,609)	5.43%	(\$2,386)	(\$2,386)
8	May-2000	(\$1,082,995)	\$0	\$2,888,682	(\$2,888,682)	(\$3,971,677)	5.43%	(\$11,161)	(\$13,547)
9	Jun-2000	(\$3,982,838)	\$0	\$5,312,926	(\$5,312,926)	(\$9,295,764)	5.43%	(\$29,320)	(\$42,860)
10	Jul-2000	(\$9,325,084)	\$0	\$7,985,110	(\$7,985,110)	(\$17,310,194)	5.43%	(\$58,813)	(\$101,680)
11	Aug-2000	(\$17,369,007)	\$0	\$10,030,339	(\$10,030,339)	(\$27,399,346)	5.43%	(\$98,852)	(\$200,532)
12	Sep-2000	(\$27,498,198)	\$0	\$10,777,330	(\$10,777,330)	(\$38,275,528)	5.43%	(\$145,233)	(\$345,765)
13	Oct-2000	(\$38,420,761)	\$0		\$0	(\$38,420,761)	5.43%	(\$169,672)	(\$515,436)
14			\$0	\$38,074,996	(\$38,074,996)				
15	Cumulative Over/(Under) Collection of Fuel Index Payments October 1, 1999 through September 30, 2000					(\$38,590,432)			
16	Oct-2000	\$0	\$0	\$12,972,901	(\$12,972,901)	(\$12,972,901)	5.43%	(\$28,645)	(\$28,645)
17	Nov-2000	(\$13,001,546)	\$0	\$15,508,888	(\$15,508,888)	(\$28,510,434)	5.43%	(\$91,661)	(\$120,307)
18	Dec-2000	(\$28,602,096)	\$0	\$21,166,793	(\$21,166,793)	(\$49,768,889)	5.43%	(\$173,049)	(\$293,355)
19	Jan-2001	(\$49,941,938)	\$9,557,103	\$28,718,633	(\$19,161,529)	(\$69,103,467)	6.26%	(\$301,942)	(\$595,297)
20	Feb-2001	(\$69,405,409)	\$17,492,830	\$28,559,494	(\$11,066,664)	(\$80,472,073)	6.26%	(\$380,143)	(\$975,440)
21	Mar-2001	(\$80,852,216)	\$17,364,031	\$32,880,668	(\$15,516,637)	(\$96,368,854)	6.26%	(\$449,496)	(\$1,424,936)
22	Apr-2001	(\$96,818,350)	\$15,962,102	\$30,141,973	(\$14,179,871)	(\$110,998,221)	6.26%	(\$527,097)	(\$1,952,034)
23	May-2001	(\$111,525,318)	\$14,808,820	\$31,834,523	(\$17,025,704)	(\$128,551,022)	6.26%	(\$608,920)	(\$2,560,953)
24	Jun-2001	(\$129,159,942)	\$15,669,966	\$34,185,617	(\$18,515,651)	(\$147,675,593)	6.26%	(\$702,154)	(\$3,263,108)
25	Jul-2001	(\$148,377,747)	\$25,666,372	\$31,842,739	(\$6,176,367)	(\$154,554,114)	6.26%	(\$768,344)	(\$4,031,452)
26	Aug-2001	(\$155,322,458)	\$34,098,667	\$33,167,564	\$931,104	(\$154,391,355)	6.26%	(\$785,545)	(\$4,816,997)
27	Sep-2001	(\$155,176,900)	\$34,148,277	\$23,666,276	\$10,482,002	(\$144,694,898)	6.26%	(\$760,582)	(\$5,577,579)
28	Oct-2001	(\$145,455,481)	\$17,699,408		\$17,699,408	(\$127,756,072)	6.26%	(\$692,963)	(\$6,270,542)
29		\$202,467,576	\$324,646,069	(\$122,178,493)					
30	Cumulative Over/(Under) Collection of Fuel Index Payments October 1, 2000 through September 30, 2001					(\$128,449,035)			
Section 2: Projected									
31	Oct-2001	(\$128,449,035)	\$11,625,996	\$20,701,677	(\$9,075,681)	(\$137,524,716)	6.26%	(\$674,605)	(\$6,945,147)
32	Nov-2001	(\$138,199,321)	\$29,907,350	\$18,256,520	\$11,650,830	(\$126,548,491)	6.26%	(\$671,495)	(\$7,616,642)
33	Dec-2001	(\$127,219,986)	\$32,742,547	\$16,209,721	\$16,532,826	(\$110,687,160)	6.26%	(\$603,418)	(\$8,220,060)
34	Jan-2002								